

Message Text

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C O N F I D E N T I A L STATE 191782

FOR WILGIS FROM ANDREWS

E.O. 11652: GDS

TAGS: OGEN

SUBJECT: OFFICIAL-INFORMAL

1. NEW PRESIDENTIAL DIRECTIVE ON EXPORT CONTROL - THERE HAS BEEN CONSIDERABLE SPECULATION (AND MISINFORMATION) GENERATED HERE ON THE IMPLICATIONS FOR EASTERN EUROPE OF THE PRESIDENT'S RECENT DIRECTIVE ON EXPORT CONTROLS AND THE DECISION TO DENY CERTAIN OIL DRILLING EQUIPMENT EXPORTS TO THE SOVIET UNION. THEREFORE, ALTHOUGH YOU WILL UNDERSTAND THAT IT IS NOT POSSIBLE AT THIS POINT TO CLEAR A MESSAGE OUT OF THE DEPARTMENT ON THIS SUBJECT, WE THINK YOU MIGHT APPRECIATE THE FOLLOWING BACKGROUND. IN CONJUNCTION WITH THE PRESIDENT'S DECISION, THE WHITE HOUSE HAS DIRECTED COMMERCE TO SUPPLEMENT ITS EXPORT ADMINISTRATION REGULATIONS BY ADDING A REQUIREMENT THAT VALIDATED EXPORT LICENSES BE OBTAINED FOR THE EXPORT OF CERTAIN PETROLEUM PRODUCTION EQUIPMENT WHICH DOES NOT NOW REQUIRE SUCH LICENSES.
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ALTHOUGH IT LOGICALLY COULD BE ARGUED OTHERWISE, IT IS THUS FAR UNDERSTOOD THAT THIS NEW REQUIREMENT IS TO APPLY ONLY TO THE SOVIET UNION. THE NEW REGULATIONS WERE TO HAVE BEEN ISSUED BY THE END OF LAST WEEK, BUT THEY ARE STILL NOT OUT YET. WE WILL DO OUR BEST TO KEEP YOU POSTED. IN THE MEANTIME, SHOULD YOU RECEIVE QUESTIONS ON THE APPLICABILITY OF THIS CHANGE TO EASTERN EUROPEAN COUNTRIES FROM US BUSINESS-

MEN OR HOST COUNTRY OFFICIALS, WE SUGGEST A REPLY ALONG THE LINES THAT IT IS NOT ANTICIPATED THAT THE NEW REGULATIONS WILL AFFECT EXPORTS TO EE. YOU MIGHT ALSO WISH TO GLANCE AT THE COMMENTS ADE BY THE SECRETARY ON THE JULY 23 "ISSUES AND ANSWERS" PROGRAM AND THE PRESIDENT'S CLARIFICATION OF HIS ACTIONS VIS-A-VIS THE SOVIET UNION IN HIS JULY 20 PRESS CONFERENCE (BOTH CARRIED IN WIRELESS FILE). WHILE THESE COMMENTS DO NOT ADDRESS THE EXPORT CONTROL CHANGES DIRECTLY, THEY OFFER SOME PERSPECTIVE ON ADMINISTRATION INTENTIONS.

2. I AM LEAVING EE AS OF COB TODAY. CARL SCHMIDT TAKES OVER AS DIRECTOR AND HARRY GILMORE WILL BE ON BOARD AUGUST 16 AS DEPUTY DIRECTOR. I AM TAKING THREE WEEKS' LEAVE AND WILL THEN RETURN TO THE DEPARTMENT OVER-COMPLEMENT, PROBABLY REMAINING IN EUR. I WANT TO EXPRESS MY THANKS AND GRATITUDE TO ALL OF YOU FOR THE HELP AND COOPERATION GIVEN ME AND EE OVER THE YEARS. IT HAS BEEN A WONDERFUL AND ENJOYABLE EXPERIENCE -- AND SOMETIMES DOWNRIGHT FASCINATING. KEEP UP THE GOOD WORK -- THERE IS AN AWFUL LOT YET TO BE DONE IN THESE VINEYARDS. I WISH YOU ALL THE BEST. VANCE

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